

## **REGULAR MEETING OF THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY**

**November 21, 1980**

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, November 21, 1980 at 1:00 p.m. in the board room. President Vernon Dalton presided over the meeting.

Directors present were Gene Pengelly, Joe Riordan, Vernon Scott, Ferris Brough, Bill Wright, John Krenka, Wanda Borden, Ester Quilici, Vernon Dalton, Daryl Eriksen and Ray Crawford.

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: The minutes of the October 17, 1980 meeting will stand approved as written.

There were no additions to the agenda.

An executive session was held from 1:10 p.m. to 3:30 p.m.

There was a Member Relation Committee Meeting this morning. Dan Kessler came into the meeting and presented the ideas and goals for next year.

Safety & Training Committee: A new representative of the board must be named to serve on this committee. If the board is interested in naming a non board member to this position, Jesse Larsen has expressed a willingness to continue serving the company in this capacity. The executive committee took this into consideration. They thought Jesse was an excellent member on this committee. GENE PENGELLY MOVED WE APPOINT JESSE LARSEN AS THE REPRESENTATIVE FOR THE SAFETY & TRAINING COMMITTEE. BILL WRIGHT AND DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Gene Pengelly went to the UREA Annual Meeting on November 13 & 14.

Deseret G & T purchased 40% of Hunter II. Joe Fackerell discussed the IPP

Project. The first plant is going to have a gross MW output of 820 MW, net 750. Total net output will be 300,000 MW. They are going ahead on the Moon Lake Project. They have \$160,000,000 committed in contracts.

Safety Report: The Safety Meeting for November was held on October 30th. Al Crocker from Ruralite conducted a very good safety program on OSHA inspections. "The OSHA Man Cometh" was shown. This slide show went over the complete inspection, what to expect and not to expect and the areas that are at the top of the inspection list. The NRECA Safety Accreditation Program was explained. This was to inform the employees to know all the aspects of the program, to stimulate interest in working towards a mutual goal. All fire extinguishers have been recharged and inspected. Rubber gloves have been returned after being inspected for electrical testing. As of October 30, 1980, we have logged 650 accident free days. A Journeyman Lineman from Orcas Power, on a routine job energizing a regulator, was fatally injured when he contacted an energized control panel. Reason: the ground was never hooked up, so when the primary was energized, it created a line potential at the panel. A good discussion with, questions and answers followed. The Job Training and Safety tests for the apprentice linemen are progressing very well. We are now going into the second series of tests. The meeting adjourned at 11:00 a.m. The next Ruralite meeting will be held in January 1981.

Construction Report: During October in Wells, the Motel 6 line extension was built, they now have service. The Starr Valley line is halted temporarily waiting for material to complete the feed out of the substation. This should be in soon and this project will have to be completed in time to serve the new Indian housing subdivision west of Wells. In Carlin, work is progressing on the 14.4 conversion job and should be complete by the end of November. As of the meeting date, it is 3/4 the way complete. In the Lee area, three new Temoak Housing Projects have been given service. In Wendover, service to the Lewis Motel was converted and several services and security lights were installed. The Ranch House will be hooked up in the next few days. This morning BLM met with the Engineering Department and Lee. They are going to be opening 16 of the 320 acre desert land entry tracks in Ruby Valley. If it should all go exactly as they are planning, it will be a 3.2 MW load. They say they will be there in a year or so.

Engineering Report: Our wind test tower on the Pequops is operational now and data is being collected and forwarded to Engineering Sciences for evaluation. Staking was completed on the Carlin conversion to 14.4 KV and work has begun on that project. We have been contacted on 8 new Indian housing units in Lee as well as a possible 20 unit apartment building in Wells. The City of Wells has asked us about installing street lights the length of Humboldt Avenue. In Wendover, James Taylor is starting to construct his casino at the West end of town and may also build a large apartment complex to house the casino employees. The Air Force has asked us to stake and estimate a line to serve the FAA site on the air base in Wendover. All of our crews were busy,

with system upgrading throughout our service area. Don McDonald has transferred to the Engineering Department to take over the job of Engineering Aide. Roger Dickinson is moving to Wells from Wendover to take over the vacancy created by Don.

Outage Report: System wide, we only had 6 unscheduled outages. They ranged from boom trucks backing into services to unknown causes. The unknown causes were in the Starr Valley area from the tap at Grock's Ranch to the 71 Ranch. The line crew immediately rode the entire line but found no physical problems. Since there were only 6 outages through the entire system, this definitely reflects on the high quality of work the line crews are achieving.

Member Services Report: The American Red Cross Bloodmobile conducted a draw in Wells on November 6th at the W.R.E.C. Service Center. The W.R.E.C. sponsored blood draw was a big success with 74 potential donors registered and 59 actual donors participating. The Salt Lake City chapter of the American Red Cross called to congratulate W.R.E.C. on its success and organization of the draw, saying that their staff had been very complimentary of our efforts in Wells. Our company physical policy, having been approved by the Board of Directors, was taken to the Elko Clinic and reviewed by Dr. Calton Lewis during an "Annual Physical" by one of the W.R.E.C. employees. Dr. Lewis' comments were positive and he further stated he would be glad to serve as one of the doctors conducting these physicals. We are waiting on entries for the "logo" contest. Advertising has been done in the Wells Progress as well as posters in Carlin, Wells and Wendover. This years Company Christmas Party will be at the 4-Way Cafe Banquet Room. Invitations have been sent out, R.S.V.P. Date: Saturday, December 13th at 7:00 p.m. Cocktails start at 6:00 p.m. Also, the company plans to have an Employees kids Christmas Party for kids up thru the 6th grade age groups on Friday, December 12th at 4:00 p.m. Cookies, games and gifts will be part of the fun. The Member Services Department is working on various energy awareness programs and energy conservation presentations to be taken to the area high school and grade schools. We received a letter from Marie Swett thanking us for the use of the board room.

Hydro Plant: The bentonite is in today. They will be draining the reservoir the first part of next week. Once it is filled and holds, it will be kicked on line.

Power Source: We have received contracts from BPA on the small wind anemometers. We have given it to the attorney and asked him to review it.

Dan Bryan met with PNGC. There are several different feelings about the Northwest regional bill which has now been passed. Dan has suggested a meeting be set up some time with Deseret, BPA, legal council, possibly PNGC, Charlie Harper will come up and as many of the board as possible to sit down with these people and discuss what exactly it means, what we can do, what joining Deseret or PNGC would mean in regards to this.

We have also been contacted by the Nevada DOE in regards to the program they have where they have an engineer look at small hydro projects. They will spend at least one day here.

Dan B. has asked Bob Laffel to put together a meeting of his office, the Portland office and Walla Walla office in Portland sometime during the time Vernon, Ester and Dan will be in Portland.

BPA: We received notification of BPA's intention to increase our rates by approximately 50% next July. We would like to have Miner and Miner apply this increase into our cost of service study. It would cost about \$1,500. DARYL ERIKSEN MOVED WE HIRE MINER AND MINER. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Computer Study: Daryl Eriksen is the chairman of the committee. Each committee member did their best to study this. It was discussed during the executive session. The only way to get everything Dan wants is the way he suggests. DARYL ERIKSEN MOVED WE GO WITH CENTRAL WITH THE ON LINE SYSTEM. BILL WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Employee & Director Institutes & Schools: Reservations have been made for Vernon D., Ester and Dan B. for the NWPPA - BPA meeting in Portland on December 1 & 2. Reservations have been made for Joe, Gene, Ester, Lee and Dan B. to attend the N.R.E.C.A. Annual Meeting in San Francisco. Joe is also enrolled in the 500.2 school. The ACRE Activity will be Tuesday evening for \$10 per person. We have been notified that Gene Pengelly only needs 510.2 and 530.2 to become certified under the NRECA Director Certification Program. UREA and CFC are hosting a seminar on December 16. They have invited staff members, managers, directors and anyone interested. They are also going to try to set up a combined meeting of Arizona, New Mexico, Nevada and Utah a day or so after the meeting.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 23 MEMBERSHIPS FROM WELLS, 15 FROM CARLIN AND 23 FROM WENDOVER. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have typed up a statement of avoided costs.

We need to set up a budget meeting with the staff and board financial committee. It will be on December 10th. The December board meeting will start at 9:00 a.m. on the 19th.

Currently we have the \$1,000,000 manager, officers and directors liability insurance plan. We need to know if we want to keep this

amount or increase it. DARYL ERIKSEN MOVED WE STAY WITH \$1,000,000. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We have an option on a piece of land in Carlin on 1 1/4 acres. It is a corner parcel and has a three way access. The price is \$18,000. The contract is pending approval today. JOHN KRENKA MOVED WE ACCEPT THIS. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We have a request from Frank Blackett to continue his scholarship. He was awarded the scholarship in 1977. GENE PENGELLY MOVED WE CONTINUE IT. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The auditors will be here December 1-5.

We have a letter from Stan Lewandowsky, the Manager of Intermountain Rural Electric in Littleton, Colorado. He wants to get Dave Hamil reappointed as administrator.

W.R.E.C. is a stockholder in the Wells Progress. Elko Free Press owns 51% of the Progress. There is a man from Hamilton, Montana. He wants to purchase the Wells Progress and has offered \$925 per share. He is going to buy Elko's share. This will not happen until March 1, 1981. We will not sell our share unless he needs help financially.

Dan mentioned the Deferment 1 Program of NRECA

The meeting adjourned at 4:58 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY